

Message Text

CONFIDENTIAL

PAGE 01 ANKARA 02870 140922Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AGRE-00 SS-15 EB-08 COME-00
SSO-00 SP-02 AID-05 TRSE-00 STR-07 OMB-01 CEA-01
CIAE-00 INR-10 NSAE-00 INRE-00 NSCE-00 ICAE-00
L-03 H-01 DODE-00 PM-05 /084 W
-----008533 140925Z /10

O R 140815Z APR 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 1499
INFO AMEMBASSY LONDON
USMISSION GENEVA

C O N F I D E N T I A L ANKARA 2870

PASS DEPARTMENT OF AGRICULTURE ELECTRONICALLY

E.O. 11652: GDS
TAGS: BDIS, ETRD, TU
SUBJECT: TRADE DISPUTE: CONTINENTAL GRAIN COMPANY VS TURKISH
GOVERNMENT

REF: ANKARA 2784

SUMMARY. AMBASSADOR RAISED THE CONTINENTAL GRAIN DISPUTE
WITH THE SECRETARY GENERAL, MINISTRY OF FOREIGN AFFAIRS,
APRIL 13 AND SUGGESTED THAT PROMPT MOVEMENT TOWARD RESOLVING
THIS ISSUE WOULD AVOID POSSIBLE COMPLICATIONS IN CONNECTION
WITH CURRENT CONGRESSIONAL CONSIDERATION OF ADMINISTRATION
PROPOSALS ON EMBARGO. SECRETARY GENERAL FULLY SHARED THE
AMBASSADOR'S CONCERN BUT POINTED OUT THAT THERE WERE STILL
UNRESOLVED LEGAL QUESTIONS ON THE TURKISH SIDE THAT HAD TO
BE ANSWERED BEFORE THE GOT COULD COMPENSATE CONTINENTAL GRAIN.
SECRETARY GENERAL SAID HE WOULD BRING THE MATTER TO THE ATTENTION
OF PRIME MINISTER ECEVIT IN AN EFFORT TO ACHIEVE FAST SOLUTION
AND RECOMMEND THAT THE MINISTER OF AGRICULTURE PROVIDE AN
INTERIM RESPONSE TO THEODORE SORESENSEN, COUNSEL FOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ANKARA 02870 140922Z

CONTINENTAL GRAIN. END SUMMARY.

1. AMBASSADOR CALLED UPON MFA SECRETARY GENERAL ELEKDAG
APRIL 13 TO URGE EARLY SETTLEMENT OF TRADE DISPUTE BETWEEN
CONTINENTAL GRAIN COMPANY AND TURKISH GOVERNMENT. AMBASSADOR
NOTED THAT CONSIDERABLE PROGRESS HAD BEEN MADE TOWARD SETTLEMENT
OF THE DISPUTE WHEN REPRESENTATIVES OF CONTINENTAL GRAIN AND

THEIR LEGAL COUNSEL, THEODORE SORENSEN, VISITED ANKARA IN MARCH. DIFFERENCE BETWEEN THE TWO SIDES IS NOW SMALL AND NO ISSUE OF PRINCIPLE SEPARATES THEM. AMBASSADOR OBSERVED THAT THE DISPUTE, LEFT UNRESOLVED, COULD LEAD, HOWEVER, TO PROBLEMS THAT HE WOULD LIKE TO AVOID.

2. MR. SORENSEN, WHOM AMBASSADOR CHARACTERIZED AS KNOWLEDGEABLE IN THE WAYS OF WASHINGTON, SUBMITTED A NEW PROPOSAL BY LETTER OF MARCH 21 TO THE MINISTER OF AGRICULTURE FOLLOWING THAT VISIT. PROPOSAL, HE KNEW, HAS BEEN REFERRED TO TMO (SOIL PRODUCTS OFFICE) BUT IT DOES NOT YET APPEAR TO BE UNDER ACTIVE STUDY. SORENSEN, AMBASSADOR CONTINUED, HAS CITED TO BOTH THE TURKISH GOVERNMENT AND TO AMERICAN OFFICIALS SECTIONS OF US LAW WHICH COULD BE INVOKED TO REQUIRE THE PRESIDENT TO APPLY CERTAIN SANCTIONS AGAINST TURKEY IN THIS CASE UNLESS IT IS PROMPTLY RESOLVED.

3. AMBASSADOR'S CONCERN WAS TO AVOID HAVING MATTER RAISED PUBLICLY AT THIS DELICATE TIME WHEN THE CONGRESS HAS BEEN ASKED TO CONSIDER REPEAL OF THE EMBARGO ON SALES OF US MILITARY EQUIPMENT TO TURKEY. IT WAS THEREFORE IMPORTANT THAT TURKISH SIDE SHOULD MOVE PROMPTLY TOWARD A SETTLEMENT, AT LEAST RESPONDING IN TERMS THAT WOULD DEMONSTRATE PROGRESS.

4. SECRETARY GENERAL SHARED AMBASSADOR'S VIEW THAT SIGNIFICANT PROGRESS HAD BEEN MADE AND THAT THERE WAS NO DISAGREEMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ANKARA 02870 140922Z

OVER PRINCIPLE. HE SHARED AMBASSADOR'S CONCERN AND RECOGNIZED THAT THE TURKISH SIDE HAD TO DO SOMETHING TO RESOLVE THE MATTER TO PREVENT THE PROBLEM FROM COMPLICATING REPEAL OF THE EMBARGO. THERE WERE, HOWEVER, SOME LEGAL QUESTIONS TO BE RESOLVED ON THE TURKISH SIDE. SOME PEOPLE, HE SAID, THINK THAT TURKEY CAN COMPENSATE CONTINENTAL GRAIN ON THE BASIS OF A SIMPLE GOVERNMENT DECISION. MINISTRY OF FINANCE, HOWEVER, THINKS THAT A NEW AUTHORIZING LAW IS NEEDED. HE WAS NOT RAISING THESE INTERNAL PROBLEMS BECAUSE THE TURKS WISHED TO PROLONG THE DISPUTE. HE WAS ONLY TRYING TO INDICATE THE EXISTENCE OF PROBLEMS WITHIN THE TURKISH GOVERNMENT.

5. AMBASSADOR SUGGESTED THAT IT MIGHT BE HELPFUL IF THE MINISTER OF AGRICULTURE WERE TO RESPOND PROMPTLY TO SORENSEN'S LETTER AND OUTLINE THESE PROBLEMS WHILE INDICATING INTENTION TO SEEK EARLY SATISFACTORY SOLUTION. SECRETARY GENERAL AGREED. HE PROMISED TO SEND A NOTE TO THE AGRICULTURE MINISTER TO THIS EFFECT.

6. ELEKDAG WENT FURTHER. RECOGNIZING THAT IT WOULD BE NECESSARY TO PERSUADE SOME AUTHORITIES THAT A SETTLEMENT HAS TO BE ARRIVED AT IN THE SHORTEST POSSIBLE TIME,

HE SAID THAT HE WOULD REPORT THE PROBLEM TO THE PRIME MINISTER.
THIS WOULD BE A DELICATE MATTER, IN THAT HE WOULD BE "BY-PASSING
MANY PEOPLE" IN DOING SO. THE SOLUTION, IN ANY EVENT WOULD
TAKE A LITTLE TIME.

7. THE AMBASSADOR EXPRESSED HIS APPRECIATION FOR MR.
ELEKDAG'S UNDERSTANDING AND HELPFUL ASSURANCES.

8. COMMENT. SECRETARY GENERAL'S UNDERSTANDING OF POSSIBLE
POLITICAL CONSEQUENCES OF CONTINUATION OF THIS DISPUTE,
HIS ACTIVE INTERVENTION AND HIS WILLINGNESS TO BRING MATTER
TO PRIME MINISTER HIMSELF ARE POSITIVE DEVELOPMENT. IN REPORTING
THIS MEETING TO CONTINENTAL GRAIN, EMBASSY RECOMMENDS THAT
DEPARTMENT ADVISE COMPANY THAT IT WILL TAKE TURKS A LITTLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ANKARA 02870 140922Z

TIME TO SORT OUT THEIR INTERNAL RESPONSIBILITIES, BUT THAT
MATTER APPEARS, AT LAST, TO BE ON TRACK.
SPIERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, DISPUTES, GRAINS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA02870
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780160-0666
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780458/aaaabwzr.tel
Line Count: 139
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8155a1b0-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 ANKARA 2784
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2971438
Secure: OPEN
Status: NATIVE
Subject: TRADE DISPUTE: CONTINENTAL GRAIN COMPANY VS TURKISH GOVERNMENT
TAGS: BDIS, ETRD, TU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8155a1b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014